

SECRET

63-37631

22 May 1963

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MEMORANDUM FOR: Director of Personnel

VIA : Deputy Director/Support *15/17/2* 27 MAY

SUBJECT : Involuntary Separation Allowance

REFERENCE : A. Memo for Executive Director from the
Director of Personnel dated 12 April 1963,
Subject: Involuntary Separation Allowance
B. Memo ~~From~~ General Counsel ~~to~~ Executive
Director dated 7 May 1963, Subject: Same
as above

1. In regard to the comments contained in paragraph 2 of Reference B, I agree with this suggestion and the reasoning behind it, that it might be wise for the Agency to follow the Foreign Service Act which provides for separation payment in three equal installments. I recommend that we take appropriate steps to follow the Foreign Service Act in this regard.

2. In regard to paragraph 3 of Reference B, it is suggested that we consider following the Foreign Service practice of not offsetting any lump sum leave payments. I concur with the reasoning behind this suggestion and believe that the Agency should adopt the Foreign Service policy in this regard.

3. It is stated in paragraph 4 of Reference B, "If the proposed separation compensation is based on the theory that it is in fact earned, there would seem to be no basis to require withholding or cessation of the payment geared to eligibility for optional annuity." As mentioned in my 5 March memorandum on this subject, I endorse the concept that except under unusual circumstances, an individual earns a separation allowance. Therefore, I suggest that Civil Service Annuities not be offset against separation allowance.

4. In regard to paragraph 5 of Reference B, I suggest that you consult Mr. Warner to see more specifically what he has in mind when he raises the question of "whether the Agency could justify separation compensation for any employee," and then redraft the pertinent parts of Reference A so that we do not unnecessarily prejudice our position in seeking authority for our policy. However, I do believe that all persons whom we honestly consider careerists should be included.

5. In regard to paragraph 6 of Reference B, I fully agree with the stated opinion that the question of whether or not the allowance is to be paid should be based on policy and not be discretionary. This should be made clear to all concerned.

6. Please adjust Reference A, draft proposal, to take into account the suggestions above. Or, if you consider one or more of the above suggestions to be inappropriate, so inform me.

(signed) Lyman B. Kirkpatrick

Lyman B. Kirkpatrick
Executive Director

cc: General Counsel

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(H/w by LKW)

Director of Personnel: Of no great moment, but it does seem too bad we didn't get Warner's views more accurately before sending this paper forward - particularly in view of paragraph 3 of your 12 April memo.

/s/ LKW

27 MAY 1963

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